

**CADDO-BOSSIER OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS**

BOSSIER CITY, LOUISIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2004 AND 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-13-05

CADDO-BOSSIER OFFICE OF EMERGENCY PREPAREDNESS
BOSSIER CITY, LOUISIANA

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Independent Auditor's Report

To the Executive Council
Caddo-Bossier Office of Homeland Security
and Emergency Preparedness
Bossier City, Louisiana

I have audited the accompanying financial statements of Caddo-Bossier Office of Homeland Security and Emergency Preparedness, Bossier City, Louisiana, as of and for the years ended December 31, 2004 and 2003, as listed in the table of contents. These financial statements are the responsibility of the Caddo-Bossier Office of Homeland Security and Emergency Preparedness management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the provisions of Office Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the provisions of Louisiana Revised Statutes 24:513 and the *Louisiana Governmental Audit Guide*. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.


In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Caddo-Bossier Office of Homeland Security and Emergency Preparedness as of December 31, 2004, and the results of its operations and cash flows for the years ended December 31, 2004 and 2003, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 15, 2005 on my consideration of Caddo-Bossier Office of Homeland Security and Emergency Preparedness internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The accompanying Schedule of Expenditures of Federal Awards as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organization," and the supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The required supplementary information as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

The accompanying supplemental information listed in the table of contents under Supplemental Information is presented for the purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

 **Richard C
McCallister**
Signature
valid
Richard C. McCallister
June 15, 2005

Digitally signed by
Richard C. McCallister
DN: cn=Richard C.
McCallister, o=Richard
C. McCallister, CPA,
c=US
Date: 2005.06.30
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REQUIRED SUPPLEMENTAL INFORMATION
PART I

CADDO-BOSSIER HOMELAND SECURITY
AND OFFICE OF EMERGENCY PREPAREDNESS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The purpose of Management's discussion and analysis (MD&A) is to provide an overview of the financial activities of the Caddo-Bossier Homeland Security and Office of Emergency Preparedness office based on currently known facts, decisions or conditions.

The basic financial statements include government-wide and government fund statements. The government-wide Statement of Net Assets and Statement of Activities present information for all the activities of the Caddo-Bossier Homeland Security and Office of Emergency Preparedness office from an economic resources measurement focus using the accrual basis of accounting. Primarily for our office the difference between these statements and Governmental Funds statements is that assets are capitalized and depreciated over their estimated useful life versus expensed in the Governmental Funds statements.

The office at December 31, 2004 had \$288,090 in cash on hand and net capital assets of \$362,388 with total assets being \$740,673, a decrease of \$26,515 over December 31, 2003. This office is debt free other than normal trade payables.

	<u>2004</u>	<u>2003</u>
Current assets	378,285	719,363
Capital assets	362,388	47,825
Total assets	<u>740,673</u>	<u>767,188</u>
Current liabilities	38,157	43,222
Total liabilities	<u>38,157</u>	<u>43,222</u>
Net Assets		
Invested in capital assets	362,388	47,825
Unrestricted	340,128	676,141
Total net assets	<u><u>702,516</u></u>	<u><u>723,966</u></u>

The revenues from operational grants and appropriations remained fairly constant with that of prior years. Revenue from one time and special grants will vary from year to year. Total operational expenses excluding capital outlays and depreciation were relatively constant with the prior years. Investment earnings decreased as a result of lower interest rates by \$414 to \$6,566. Net assets decreased for the year by \$21,450.

	Governmental Activities	
	2004	2003
Revenues		
Program Revenues		
Grants & Appropriations	992,494	771,991
General Revenues		
Interest	6,566	6,980
Total Revenues	<u>999,060</u>	<u>778,971</u>
Expenses		
Personal services	302,181	239,036
Grants paid	362,141	-
Other operating	670,751	233,858
Total Expenses	<u>1,335,073</u>	<u>472,894</u>
Change in net assets	<u>(336,013)</u>	<u>306,077</u>

Substantial renovation and equipment was added to the Bossier and Caddo emergency operations centers. Capital outlays totaled \$369,757 for the year. No major capital outlays are budgeted for 2005.

Over the course of the year, the general fund budget was amended to reflect changes in grant incomes and expenditures. For the upcoming fiscal year, the general operating budget anticipates operating expenses of \$348,865 and revenues of \$348,865. Overall the office remains fiscally strong.

This financial report is designed to provide citizens and taxpayers with a general overview of the finances for those funds maintained by the Caddo-Bossier Homeland Security and Office of Emergency Preparedness and to show accountability for those funds. If you have any questions about this report, contact the Caddo-Bossier Homeland Security and Office of Emergency Preparedness.

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COMBINED GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

CADDO-BOSSIER OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS
STATEMENT OF NET ASSETS AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2004

	<u>General Fund</u>	<u>Adjustments Note (9)</u>	<u>Statement of Net Assets</u>
<u>ASSETS</u>			
Cash	288,090		288,090
Investments - Note 3	82,695		82,695
Accounts receivable grants - Note 4	7,500		7,500
Capital assets, net of accumulated depreciation - Note 5		362,388	362,388
	<u>378,285</u>	<u>362,388</u>	<u>740,673</u>
Total assets and other debits			
	<u>378,285</u>	<u>362,388</u>	<u>740,673</u>
<u>LIABILITIES</u>			
Accounts payable	2,362		2,362
Accrued expenses	35,795		35,795
	<u>38,157</u>		<u>38,157</u>
Total Liabilities			
	<u>38,157</u>		<u>38,157</u>
<u>FUND BALANCE/NET ASSETS</u>			
Fund balances:			
Unreserved	340,128	(340,128)	
Total fund balances	340,128	(340,128)	
	<u>378,285</u>		
Total liabilities and fund balance			
	<u>378,285</u>		
Net assets			
Invested in capital assets, net of related debt		362,388	362,388
Unrestricted		340,128	340,128
		<u>702,516</u>	<u>702,516</u>
Total net assets			
		<u>702,516</u>	<u>702,516</u>

The accompanying notes are an integral part of these financial statements.

CADDO-BOSSIER OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS
STATEMENT OF ACTIVITIES AND
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>General Fund</u>	<u>Adjustments Note (9)</u>	<u>Statement of Activities</u>
<u>REVENUES</u>			
Intergovernmental revenues:			
Federal grants	697,867		697,867
Local grants	286,060		286,060
Community support	1,500		1,500
Miscellaneous	7,067		7,067
Interest	6,566		6,566
	<hr/>	<hr/>	<hr/>
Total revenues	999,060		999,060
	<hr/>	<hr/>	<hr/>
<u>EXPENDITURES/EXPENSES</u>			
Public Safety:			
Grants paid	362,141		362,141
Personnel	302,181		302,181
Insurance	4,610		4,610
Public affairs	3,441		3,441
Warning and communication	94,142		94,142
Medical supplies	103,315		103,315
Travel	14,487		14,487
Employee retirement	12,938		12,938
Maintenance	9,415		9,415
Supplies	43,461		43,461
Professional services	15,185		15,185
Depreciation		55,194	55,194
Capital outlays	369,757	(369,757)	-
	<hr/>	<hr/>	<hr/>
Total expenditures	1,335,073	(314,563)	1,020,510
	<hr/>	<hr/>	<hr/>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	(336,013)	336,013	
	<hr/>	<hr/>	<hr/>
<u>CHANGE IN NET ASSETS</u>		(21,450)	(21,450)
	<hr/>	<hr/>	<hr/>
<u>FUND BALANCE/NET ASSETS-BEGINNING OF YEAR</u>	676,141	47,825	723,966
	<hr/>	<hr/>	<hr/>
<u>FUND BALANCE/NET ASSETS-END OF YEAR</u>	340,128	362,388	702,516
	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of these financial statements.

CADDO-BOSSIER OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS
STATEMENT OF ACTIVITIES AND
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>General</u> <u>Fund</u>	<u>Adjustments</u> <u>Note (9)</u>	<u>Statement of</u> <u>Activities</u>
<u>REVENUES</u>			
Intergovernmental revenues:			
Federal grants	466,323		466,323
Local grants	300,168		300,168
Community support	5,500		5,500
Interest	6,980		6,980
	<hr/>	<hr/>	<hr/>
Total revenues	778,971		778,971
	<hr/>	<hr/>	<hr/>
<u>EXPENDITURES/EXPENSES</u>			
Public Safety:			
Personnel	239,036		239,036
Insurance	10,041		10,041
Public affairs	6,518		6,518
Warning and communication	85,916		85,916
Medical supplies	18,773		18,773
Travel	12,050		12,050
Employee retirement	17,802		17,802
Maintenance	7,608		7,608
Supplies	26,094		26,094
Professional services	28,863		28,863
Depreciation		20,193	20,193
Capital outlays	22,994	(22,994)	-
	<hr/>	<hr/>	<hr/>
Total expenditures	475,695	(2,801)	472,894
	<hr/>	<hr/>	<hr/>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	303,276	(303,276)	
<u>CHANGE IN NET ASSETS</u>		306,077	306,077
<u>FUND BALANCE/NET ASSETS-BEGINNING OF YEAR</u>	372,865	45,024	417,889
	<hr/>	<hr/>	<hr/>
<u>FUND BALANCE/NET ASSETS-END OF YEAR</u>	676,141	47,825	723,966
	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of these financial statements.

**CADDO-BOSSIER OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Caddo-Bossier Office of Homeland Security and Emergency Preparedness have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. This office does not use encumbrance accounting. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. FINANCIAL REPORTING ENTITY

The Caddo-Bossier Office of Homeland Security and Emergency Preparedness is an independent agency governed by a four-member Board. The Board consists of the mayors of Shreveport and Bossier City and the presidents of the Caddo Parish Commission and the Bossier Parish Police Jury. The agency operates autonomously from these four governmental units. It controls hiring and retention of employees; has authority over its own budgeting; is responsible for its deficits; and collects and disburses its own funds. Therefore, the agency reports as an independent reporting entity.

C. GOVERNMENT-WIDE ACCOUNTING

In accordance with Governmental Accounting Standards No. 34, the Caddo-Bossier Office of Emergency Preparedness has presented a Statement of Net Assets and Statement of Activities. This office has no component units. Fiduciary funds are reported separately when applicable. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Policies specific to the Statement of Net Assets and Statement of Activities are as follows:

Application of FASB Statements and Interpretations

Reporting on governmental-type activities are based on FASB Statements and interpretations issued after November 31, 1989, except where they conflict or contradict GASB pronouncements.

Capitalizing Assets

Tangible and/or intangible assets used in operations with initial useful life that extends beyond one year and a cost of at least \$100 are capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Assets. This office does not own any infrastructure assets. Vehicles are

depreciated with a useful life of four years. Furniture and equipment estimated lives vary from five to twelve years. Building improvements are estimated at twenty-five.

D. FUND ACCOUNTING

The Agency uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds of the agency are all classified as Governmental Funds. Governmental funds account for the Agency's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the Agency include:

General Fund – The general operating fund of the district and accounts for all financial resources, except those required to be accounted for in other funds.

E. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by the type of financial statement presentation.

The Statement of Net Assets and Statement of Activities are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental-type activities are included in the Statement of Net Assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements, capital assets are reported and depreciated in the fund.

The governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the fiscal period. Available means collected within the current year or expected to be collected within 60 days following year-end. All revenue sources met this criterion. Operating statements of these funds present increases and decreases in net current assets. Expenditures for capital assets are reported as current expense, and such assets are not depreciated.

F. BUDGETS

The Agency uses the following budget practices:

1. Budgets are prepared on the modified accrual basis of accounting and were adopted for the General Fund for 2004.
2. The Agency's Executive Director prepares the proposed budget and submits it to the Chairman of the Board no later than fifteen days prior to the beginning of each fiscal year.
3. The Board adopts the budget by majority vote.
4. Budgetary amendments are made by the Executive Director and do not require approval of the Board.
5. All budgetary appropriations lapse at year-end.
6. Formal budgetary integration is not employed; however, periodic budget comparisons are made as a part of interim reporting. Budgeted amounts included in the accompanying financial statements include the originally adopted budget amounts and all subsequent budget amendments.

The Agency did not comply with the provision in state law requiring that proposed budgets be advertised as available for public inspection prior to adoption.

G. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is generally used in governmental funds. Based on the size of the accounts and the methods utilized for payments, the Agency does not employ encumbrance accounting.

H. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Agency may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under the laws of the United States.

I. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Agency's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

J. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

K. COMPENSATED ABSENCES

Vested or accumulated vacation leave is reported as an expenditure/expense and a liability of the governmental when earned.

L. NET ASSETS/FUND BALANCES

In the Statement of Net Assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets is as follows:

Invested in capital assets, net of related debt

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction, or improvement of capital assets.

Restricted net assets

Net assets that are restricted by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, these non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

Unrestricted net assets

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

Reserved

These resources are segregated because their use is earmarked for a specific purpose.

Unreserved

This category represents that portion of equity not appropriable for expenditures or legally separated to a specific future use.

2. CASH AND CASH EQUIVALENTS

The Office of Emergency Preparedness classifies demand and time deposits as cash. The collected balances of the deposits with financial institutions at December 31, 2004 was \$299,459 and was collateralized as follows:

Amount insured by FDIC	\$223,231
Amount collateralized with securities, held by pledging financial institution's trust department in the agency's name (Category 2, GASB Statement No. 3)	<u>76,228</u>
Total collateral	<u>\$299,459</u>

These deposits are stated at cost, which approximates market. Book value of deposits differs from collected balances and equals \$288,015. Under state law, these deposits must be secured by federal deposit insurance or the pledge of the securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Even though pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Agency that the fiscal agent has failed to pay deposited funds upon demand.

3. INVESTMENTS

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Agency or its agent in the Agency's name.
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Agency's name.
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Agency's name.

The Agency's investments all fall under category 1 and consist of obligations of FHLMC and FNMA. Investments are carried at amortized cost of \$82,695. Market value at December 31, 2003 approximated cost.

4. RECEIVABLES

The following is a summary of receivables at December 31, 2004:

Local grant-Caddo Parish	\$7,500
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5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2004 and 2003 is as follows:

<u>Assets at Cost</u>	Balance			Balance
<u>Description</u>	<u>1/1/2004</u>	<u>Additions</u>	<u>Retirements</u>	<u>12/31/2004</u>
Equipment	\$142,087	\$223,754	\$14,244	\$351,597
Building Imp		146,003		146,003
Vehicles	17,785			17,785
Totals	159,872	369,757	14,244	515,385
<u>Accumulated Depreciation</u>				
Equipment	99,450	46,367	14,244	131,573
Building Imp		4,380		4,380
Vehicles	12,597	4,447	-	17,044
Totals	112,047	55,194	14,244	152,997
Net capital assets	\$47,825	\$314,563	\$ -	\$362,388

<u>Assets at Cost</u>	Balance			Balance
<u>Description</u>	<u>1/1/2003</u>	<u>Additions</u>	<u>Retirements</u>	<u>12/31/2003</u>
Equipment	\$144,127	\$22,994	\$25,034	\$142,087
Vehicles	17,785	-	-	17,785
Totals	161,912	22,994	25,034	159,872
<u>Accumulated Depreciation</u>				
Equipment	108,735	15,747	25,032	99,450
Vehicles	8,151	4,446	-	12,597
Totals	116,886	20,193	25,032	112,047
Net capital assets	\$45,026	\$2,801	\$ 2	\$47,825

6. PENSION PLAN

Plan Description – The agency covers its full time permanent employees with the City of Shreveport Employees Retirement System. The System is independent of the Caddo-Bossier Office of Emergency Preparedness. The City of Shreveport Employees Retirement System (City Plan) is a cost sharing multiple employer defined benefit pension plan, which is administered by the City of Shreveport.

To be eligible for retirement benefits, employees must have 30 years of service regardless of age, or be age 65 and have 10 years of service and if hired before January 1, 1979 be 55 years of age with 20 years of service. Employees hired after January 1, 1979, may retire at age 55 with 25 years of service or age 60 with 20 years of service. Disability retirement requires 5 years or more of creditable service in order for an employee to be eligible to receive benefits. Death benefit requirements specify that an employee must have been in active service with 10 or more years of creditable service in the Retirement System. Employees become vested in the system after 10 years of creditable service.

Shreveport City Ordinance establishes benefit provisions. Benefits available to employees hired before January 1, 1996, consist of an annuity, which is the actuarial equivalent of the employee's accumulated contributions; plus annual pension, which together with the annuity, provides total retirement allowance equal to 3 percent of average compensation times years of creditable service. Beginning January 1, 1996, the retirement allowance was increased to 3 1/3 percent of average compensation times years of creditable service for 1996 and future years of service. For a service retirement benefit prior to age 65 with less than 20 but more than 10 years of service, the benefit is reduced by 1/4 percent for each month below age 65. If a member dies after retirement and leaves a surviving spouse to whom he/she had been married for at least one year immediately preceding death, such spouse receives 50 percent of the member's retirement for the rest of his/her life. A disability benefit is available if a member is unable to engage in any substantial, gainful activity by reason of medically determined physical or mental impairment, which is likely to be permanent. The Deferred Retirement Option Plan allows members who have met eligibility requirements to defer receipt of benefits until termination at which time the participant will be eligible to receive the deferred benefits.

The City of Shreveport issues an annual publicly available financial report that includes financial statements and required supplementary information. Readers are referred to the Notes to the General Purpose Financial Statements contained in the Comprehensive Annual Financial Report of the City of Shreveport for the years ended December 31, 2004.

Funding Policy - Covered employees are required to contribute 9 percent of their salary to the City Plan while the employer is required to contribute 9.15 percent of the covered employees' salaries. The Shreveport City Ordinance establishes the employer and employee contribution obligations. City of Shreveport Ordinance may amend employee or employer contributions. Employer contributions to the plan were \$12,938 on covered payroll of \$141,000.

Caddo Bossier Office of Emergency Preparedness does not guarantee any of the benefits granted under the plan

7. COMPENSATED ABSENCES

Full time employees may earn from one hundred thirty to two hundred twenty-five hours of annual leave and sick leave per year depending on their length of service. Upon separation of service, employees may be paid for annual leave up to five hundred hours. Employees are not paid for accrued sick leave upon separation of service, but accrued sick leave may be applied against total employment years at retirement. The amount of accrued leave at December 31, 2004 was \$35,795 and is included as a liability of the general fund and statement of net assets.

8. RISK MANAGEMENT

The agency covers its risks of loss through the purchase of commercial insurance. Operations do not expose the agency to any significant risks.

9. RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS AND THAT OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

	<u>2004</u>
Total fund balance - total governmental funds	\$ 340,128

Amounts reported for governmental activities in the
Statement of Net Assets are different because:

Capital assets used in governmental activities are not
current financial resources and, therefore, are not
reported in the Governmental Funds Balance Sheet

362,388

Total net assets of governmental activities

702,516

Net change in fund balance - total governmental funds

(336,013)

Amounts reported for governmental activities in the
Statement of Activities are different because:

Governmental funds report capital outlays as
expenditures. However, in the Statement of
Activities, the cost of those assets is allocated over
their estimated useful lives as depreciation expense.
This is the amount by which depreciation charged
was less than (exceeded) capital outlays for the
period.

314,563

Change in net assets of governmental activities

\$ (21,450)

REQUIRED SUPPLEMENTAL INFORMATION
PART II

CADDO-BOSSIER OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budget (1)</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES</u>			
Intergovernmental revenues:			
Federal Grants	697,965	697,867	(98)
Local Grants	278,500	286,060	7,560
Community support	-	1,500	1,500
Miscellaneous	-	7,067	7,067
Interest	7,000	6,566	(434)
	<u>983,465</u>	<u>999,060</u>	<u>15,595</u>
Total revenues			
<u>EXPENDITURES</u>			
Public Safety:			
Grants paid	362,000	362,141	(141)
Personnel	302,291	302,181	110
Insurance	1,800	4,610	(2,810)
Public affairs	1,640	3,441	(1,801)
Warning and communication	95,500	94,142	1,358
Medical supplies	104,000	103,315	685
Travel	14,500	14,487	13
Employee retirement	13,555	12,938	617
Maintenance	7,800	9,415	(1,615)
Supplies	43,790	43,461	329
Professional services	15,300	15,185	115
Capital outlays	375,000	369,757	5,243
	<u>1,337,176</u>	<u>1,335,073</u>	<u>2,103</u>
Total expenditures			
<u>EXCESS OF REVENUES</u>			
<u>OVER (UNDER) EXPENDITURES</u>	(353,711)	(336,013)	17,698
<u>FUND BALANCE-BEGINNING OF YEAR</u>	<u>676,141</u>	<u>676,141</u>	<u>-</u>
<u>FUND BALANCE-END OF YEAR</u>	<u>322,430</u>	<u>340,128</u>	<u>17,698</u>

(1) Modified accrual basis of accounting.

The accompanying notes are an integral part of these financial statements.

CADDO-BOSSIER OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Budget (1)</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES</u>			
Intergovernmental revenues:			
Federal Grants	446,000	466,323	20,323
Local Grants	301,820	300,168	(1,652)
Community support	-	5,500	5,500
Interest	7,000	6,980	(20)
	<u>754,820</u>	<u>778,971</u>	<u>24,151</u>
Total revenues			
<u>EXPENDITURES</u>			
Public Safety:			
Personnel	239,096	239,036	60
Insurance	9,800	10,041	(241)
Public affairs	7,000	6,518	482
Warning and communication	85,900	85,916	(16)
Medical supplies	18,750	18,773	(23)
Travel	13,000	12,050	950
Employee retirement	17,839	17,802	37
Maintenance	7,200	7,608	(408)
Supplies	28,985	26,094	2,891
Professional services	29,000	28,863	137
Capital outlays	31,000	22,994	8,006
	<u>487,570</u>	<u>475,695</u>	<u>11,875</u>
Total expenditures			
<u>EXCESS OF REVENUES</u>			
<u>OVER (UNDER) EXPENDITURES</u>	267,250	303,276	36,026
<u>FUND BALANCE-BEGINNING OF YEAR</u>	374,000	372,865	(1,135)
<u>FUND BALANCE-END OF YEAR</u>	<u>641,250</u>	<u>676,141</u>	<u>34,891</u>

(1) Modified accrual basis of accounting.

See Accountant's Compilation Report and Notes to the Financial Statement

SUPPLEMENTAL INFORMATION

**CADDO-BOSSIER OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2004**

<u>FEDERAL GRANTOR PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT NUMBER</u>	<u>FEDERAL EXPENDITURES (1)</u>
Department of Justice			
State and Local Assistance Program	97.006	72600878100	\$ 87,932
Homeland Security Ppdness Tech Asst	97.007	Various	440,740
Metropolitan Medical Response System	97.071	233-01-0053	369,085
Community Emgcy Response Teams	97.054	N/A	5,000
Emergency Mgt Agency Pilot Cher-cap	Unknown	N/A	12,000
Hazardous Material Asst Program	97.021	N/A	4,195

(1) Prepared on the accrual basis of accounting.

Richard C. McCallister
Certified Public Accountant

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REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Executive Council
Caddo-Bossier Office of Homeland Security
and Emergency Preparedness
Bossier City, Louisiana

I have audited the financial statements of Caddo-Bossier Office of Homeland Security and Emergency Preparedness, Bossier City, Louisiana, as of and for the years ended December 31, 2004 and 2003 and have issued my report thereon dated June 15, 2005. I have conducted my audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States.

Compliance

As part of obtaining reasonable assurance about whether Caddo-Bossier Office of Homeland Security and Emergency Preparedness financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and is listed as finding 2004-1 in the accompanying Schedule of Audit Findings and Questioned Costs.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Caddo-Bossier Office of Homeland Security and Emergency Preparedness internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My

consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure over financial reporting and its operation that I consider to be a material weakness.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record, and its distribution is not limited.



Richard C
McCallister

Richard C. McCallister
Shreveport, Louisiana
June 15, 2005

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**REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Executive Council
Caddo-Bossier Office of Homeland Security
and Emergency Preparedness
Bossier City, Louisiana

I have audited the compliance of the Caddo-Bossier Office of Homeland Security and Emergency Preparedness, Bossier City, Louisiana, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the years ended December 31, 2004 and 2003. The Caddo-Bossier Office of Homeland Security and Emergency Preparedness major federal program is identified in the accompanying Schedule of Expenditure of Federal Awards. Compliance with the requirement of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Caddo-Bossier Office of Homeland Security and Emergency Preparedness management. My responsibility is to express an opinion on Caddo-Bossier Office of Homeland Security and Emergency Preparedness compliance based on my audit.

I conducted the audit of compliance in accordance with auditing standard generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and provisions of Louisiana Revised Statutes 24:513 and the *Louisiana Governmental Audit Guide*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Caddo-Bossier Office of Homeland Security and Emergency Preparedness compliance with those requirements and performing such other procedures as I consider necessary in the circumstances. I believe the audit provides a reasonable basis for my opinion. My audit does not provide legal determination on Caddo-Bossier Office of Homeland Security and Emergency Preparedness compliance with those requirements.

In my opinion, Caddo-Bossier Office of Homeland Security and Emergency Preparedness complied, in all material respects, with requirements referred to above that are applicable to its major federal program for the years ended December 31, 2004 and 2003.

Internal Control Over Compliance

The management of Caddo-Bossier Office of Homeland Security and Emergency Preparedness is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered Caddo-Bossier Office of Homeland Security and Emergency Preparedness internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider weaknesses.

This report is intended for the information of the management and Executive Council of the Caddo-Bossier Office of Homeland Security and Emergency Preparedness, the Legislative Auditor of the State of Louisiana, and the federal awarding agency. However, this report is a matter of public record and its distribution is not limited.

 **Richard C
McCallister**

Richard C. McCallister
Shreveport, Louisiana
June 15, 2005

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CADDO-BOSSIER OFFICE OF EMERGENCY PREPAREDNESS

SUMMARY OF AUDITOR'S RESULTS
For the Two Years Ended December 31, 2004

Financial Statements

Type of auditor's issued:	<u>Unqualified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Reportable conditions identified not considered to be material weaknesses?	<u>No</u>
Noncompliance material to financial statements noted?	<u>Yes</u>

CADD0-BOSSIER OFFICE OF EMERGENCY PREPAREDNESS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE TWO YEARS ENDED DECEMBER 31, 2004

COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS, AND GRANTS

2004-01 Failure to comply with Louisiana Budget Law

The budgets were not advertised for inspection by the public.

The office goes through an extensive budget process to obtain approval for their operational funding by local agencies. Their budgeted amounts are included in the budget of those agencies. The director did not feel that separate budget advertising was required.

The office needs to follow the required Louisiana Budget Process.

CADDO-BOSSIER OFFICE OF EMERGENCY PREPAREDNESS
MANAGEMENT'S SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE TWO YEARS ENDED DECEMBER 31, 2004

COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS, AND GRANTS

2002-01 Failure to timely file financial statements

Financial statements are filed on a timely basis now.

2002-02 Fail to advertise budgets for inspection by the public

Budgets are still not advertised for public inspection.

2002-03 Failure to comply with Public Bid Law

Public Bid Law is being followed.

**Caddo-Bossier Office of Homeland Security
and Emergency Preparedness
PO Box 192
Shreveport, LA 71161
(318) 425-5353 or Fax (318) 425-5940**

June 30, 2005

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana

The Caddo-Bossier Office of Homeland Security and Emergency Preparedness respectfully submits the following corrective action plan for the year ended December 31, 2004.

Name and address of the accounting firm:
Richard C. McCallister, CPA
PO Box 44046
Shreveport, LA 71134

The findings from December 31, 2004 included in the schedule of Financial Statements Findings are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

2004-02 Failure to comply with Louisiana Budget Law

The budgets will be advertised for public inspection in accordance with Louisiana Budget Law.

Sincerely,



Validity
unknown

**Chuck
Mazziotti**

Chuck Mazziotti
Director

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Mazziotti,
o=Caddo-Bossier
Office of Homeland
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